



**West Midlands
Combined Authority**

WMCA Board

Date	13 January 2023
Report title	WMCA Draft Budget 2023/24
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Report has been considered by	SLT – 4 January 2023 WMFD – 5 January 2023

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Approve for consultation the Draft 2023/24 West Midlands Combined Authority consolidated Revenue budget summarised in Section 4. This includes:
 - a) The budget requirement for Transport delivery in 2023/24 comprising three elements:
 - i. £119.4m to be funded from the existing Transport Levy mechanism
 - ii. Use of £4.7m Business Rates retention income
 - iii. Transfer from earmarked reserves of £9.2m.
 - b) The budget requirement for Portfolio delivery in 2023/24 of £170.4 million comprising of six elements:

- i. £140.6m Adult Education (including level 3) spending to be funded from Adult Education Budget funding devolved by the Department for Education¹
 - ii. £16.1m to be funded from Devolution deal grants
 - iii. £1.3m to be funded from other income, notably Investments
 - iv. £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2022/23)
 - v. £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2022/23)
 - vi. Use of £7.3m Business Rates retention income.
2. Approve for consultation and scrutiny the Mayoral Office budget for 2023/24 of £0.9m to be funded from additional Mayoral Capacity Funding.
3. Approve for consultation the Draft 2023/24 Capital Programme of £805.1m.
4. Note the planned spend on the Investment Programme over the period.
5. Review the Mayor's budget and set out in a report to the Mayor whether it is approved in its current form including any recommendations before 8th February.
6. Note that there will be no Mayoral Precept during 2023/24.
7. Note West Midlands Combined Authority's ongoing commitment to work with the Mayor and Leaders to discuss future funding for the WMCA during 2023, including the need to review Local Choice Transport policies.
8. Note the matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 15 December 2022.
9. To delegate authority to the Executive Director of Finance & Business Hub and the Executive Director of Economic Delivery, Skills & Communities to accept any funds awarded for the Careers Enterprise and LEP integration into the WMCA.

1.0 Purpose

- 1.1. This report presents the Draft 2023/24 Budget for consideration by the West Midlands Combined Authority Board, to allow for feedback to inform the Final 2023/24 Budget to be approved in February 2023.
- 1.2. The WMCA Overview and Scrutiny Committee has undertaken the scrutiny work and feedback following the Mayoral Q&A session on the budget which took place on 15 December 2022 is attached to this report at Appendix 6.

2.0 Background

- 2.1. This report represents the first part of the formal process to determine the WMCA Budget, Levy and Precept levels for 2023/24. If approved, this report will form the basis for budget proposals to WMCA Board on 10 February 2023.

¹ The 2023/24 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2023 and an update provided to Board.

- 2.2. The vision of WMCA is to deliver a more prosperous and better-connected West Midlands which is fairer, greener and healthier. The WMCA Board, in November 2021, approved six Aims and Objectives to deliver the region's priorities. The six Aims and Objectives are:
- Promote inclusive economic growth in every corner of the region
 - Ensure everyone has the opportunity to benefit
 - Connect our communities by delivering transport and unlocking housing and regeneration schemes
 - Reduce carbon emissions net zero and enhance the environment and boost climate resilience
 - Secure new powers and resources from Central Government
 - Develop our organisation and our role as a good regional partner
- 2.3. The Draft 2023/24 Budget aligns with these agreed Aims and Objectives and underpins the delivery of the WMCA's vision. This report includes the proposed WMCA activities for 2023/24 alongside the funding requirement to deliver these. This year represents an improved process for budget development, with the budget being planned from the bottom up, giving a more robust indication of the resources needed to deliver service activities. The budgets have been subject to rigorous internal review, challenge and scrutiny led by the Authority S151 Officer to ensure that they were robust, deliverable and aligned with planned activities in 2023/24.
- 2.4. The WMCA is continuing to operate in a period of significant financial uncertainty. When the 2022/23 budget was approved in February 2022, the main concern was around the ongoing and consequential impact of the pandemic and the region's recovery. Whilst these concerns remain, they are now overshadowed by the forecast impact of high inflation, especially in relation to fuel and energy prices and from increases in bank base rates. Russia's invasion of Ukraine has triggered spiralling inflation in the UK. Inflation (CPI) hit 9.6% in the 12 months to October 2022, whilst RPI is forecast to be around 7% in 2023/24. The impact of inflation is being experienced across all services with impacts on the WMCA's cost base and income levels. The WMCA's financial resilience is of utmost importance in order to be able to deal with these uncertainties, deliver statutory services and to have the ability to focus resources on key activities in support of the organisation's Aims and Objectives. The 2023/24 Draft Budget has been prepared using the best information available at the time of writing.
- 2.5. The capital programme incorporates proposals for utilisation of the £1.05bn award to WMCA as part of the City Regional Sustainable Transport Settlement (CRSTS) Fund. CRSTS is a capital grant, so allows WMCA to continue with its wide-ranging Capital Programme but does not provide any additional revenue support for the ongoing operational costs of the Transport network. Officers continue to work with Her Majesty's Government (HMG) to identify all additional funding opportunities open to WMCA, including submission of bids to seek to secure allocations of the £4.8bn Levelling Up funding announced in the Comprehensive Spending Review in 2021. Announcements on successful awards for Round 2 of the scheme were not yet made at the time of writing. The Trailblazer Devolution Deal (TDD) process is continuing with devolution proposals being developed across a wide range of themes. Proposals have a clear focus on drawing down powers and finance from Government. The process is being guided by the principle that the WMCA should not take on any additional responsibilities that are not properly resourced. Announcements on the TDD is anticipated by early 2023, and as a matter of prudence, no assumptions have been made around resources in the draft budget.

2.6. The key headlines for the 2023/24 Draft Budget are as follows:

- No Mayoral Precept to be introduced for 2023/24.
- Total Revenue expenditure of £345.0m, alongside a Capital Programme totalling £805.1m for 2023/24.
- Transport Levy to be increased by 2.0% compared with 2022/23, recognising the continued risks and ongoing pressures within the Transport network and slightly less than the expected rise in general Council tax allowable without the need for a referendum.
- Non-Constituent and Observer fees from April 2023 are set at £30,000 per Non-Constituent Authority, the same level as in 2022/23.
- Inflationary uplifts including 5% for pay, 7% for non-pay elements and 60% uplift for energy.
- Continued subsidy of West Midlands Metro operation
- Core funding of £0.7m for the West Midlands Growth Company as approved by WMCA Board in December 2022
- Capital Financing and Investment Income based on latest views, including £3.0m MRP charge.

3.0 Medium Term Financial Plan (MTFP) Update

3.1. The MTFP was initially presented to the WMCA Board in May 2022, subsequently revised during the summer including engagement with Mayor and Portfolio Leaders and Constituent Authorities. The latest position was presented to WMCA Board in October 2022 and presented a balanced budget.

3.2. That balanced position assumed the following funding solution to close the gap: :

- Transport Levy increase of 2%, generating an additional £2.3m annually to support Transport operations,
- cash-flat Member contributions,
- one off utilisation of reserves;
- and use of 2023/24 share of Business Rates Growth to support the budgetary position.

The WMCA also committed to deliver £3m of efficiency savings within its Transport functions. This funding solution recognises that Constituent Authorities were facing significant budget pressures and funding challenges which did not allow them to significantly increase their contributions.

3.3. In addition, it was acknowledged that due to risks in the external economic climate, wider public sector funding challenges, risks associated with the transport network and importantly opportunity arising from the TDD, then a one year funding solution should be sought leading to a balanced budget for 2023/24. This would leave financial pressure in the medium term, ranging from £26.5m in 2024/25 to £35.1m by 2027/28 to be considered early in 2023, depending on HMG negotiations. For prudence, no assumptions have been made in the MTFP around the TDD.

3.4. The table below summarises the financial position across the medium term.

Table 1 – Medium Term Financial Plan

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Transport Levy	117.0	119.4	121.7	129.0	131.5	134.0
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5
Adult Education Budget	140.6	140.6	140.6	140.6	140.6	140.6
Share of Business Rates	0.0	12.0	11.6	10.6	14.7	11.1
Revenue Grants & Other Income	6.4	17.1	3.7	2.1	2.2	2.3
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.5	0.4	0.4	0.4	0.4	0.4
Investment Income	1.4	5.2	1.4	1.4	1.4	1.4
Mayoral Precept	0.0	0.0	0.0	1.0	1.0	1.1
Use of Reserves	14.1	9.2	0.7	0.7	0.7	0.7
Total Funding	339.8	345.0	321.3	326.9	333.7	332.7
Transport for West Midlands	125.0	133.2	148.8	154.8	172.5	171.1
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Housing & Regeneration	1.5	1.8	1.3	1.4	1.4	1.4
Strategy, Integration and Net Zero	5.2	5.5	4.8	4.5	4.7	4.9
Economic Delivery, Skills & Communities	148.5	159.4	147.6	147.7	147.9	148.1
Portfolio Support	3.6	3.7	3.6	3.6	3.6	3.7
Investment Programme	36.6	40.4	36.6	36.6	36.6	36.6
Mayoral Office	0.8	0.9	0.9	1.0	1.0	1.1
Mayoral Election	0.0	0.0	4.0	1.0	1.0	1.0
Total Expenditure	339.8	345.0	347.7	350.6	368.7	367.8
Net Expenditure	0.0	0	-26.5	-23.7	-35.1	-35.1

4.0 Draft 2023/24 Consolidated Revenue Budget

4.1. The Draft 2023/24 Consolidated Revenue Budget is presented in Table 2 below.

Table 2 - Consolidated Draft Revenue Budget 2023/24

	Total	Transport	Housing & Rengeneration	Strategy, Integration and Net Zero	Economic Delivery, Skills & Delivery	Portfolio Central Funding & Support	Investment Programme	Mayors Office
	£m	£m	£m				£m	£m
Transport Levy	119.4	119.4						
Revenue Grants & Other Income	53.6		1.8	0.7	13.5	0.1	36.5	0.9
Adult Education Funding	140.6				140.6			
Share of Business Rates	12.0	4.7				7.3		
Grants from Constituent Members	4.6					4.6		
Grants from Non Constituent Members	0.4					0.4		
Investment Income	5.2					1.3	3.9	
Use of Reserves	9.2	9.2						
Total Income	345.0	133.2	1.8	0.7	154.0	13.8	40.4	0.9
Transport Delivery	133.2	133.2						
Housing & Rengeneration	1.8	-	1.8					
Strategy, Integration and Net Zero	5.5	-		5.5				
Economic Delivery, Skills & Communities	159.4	-			159.4			
Portfolio Support	3.7	-				3.7		
Investment Programme	40.4	-					40.4	
Mayoral Office	0.9	-						0.9
Total Expenditure	345.0	133.2	1.8	5.5	159.4	3.7	40.4	0.9
Net Expenditure	0.0	0.0	0.0	4.8	5.3	10.1	-	0.0

- 4.2. In acknowledgement of the medium term pressures, the WMCA has already committed to working with Constituent Authorities throughout 2023 to develop a longer-term, sustainable budget and plan, building on the work done with business planning and linkages to the Aims and Objectives. Initial recommendations will be reported to Leaders in May 2023, and this will hopefully include any outcomes from the discussions with Government in relation to the TDD.
- 4.3. As previously referenced, the proposed Transport Levy is £119.4m, an increase of 2.0% from 2022/23, allocated to Constituent Members based on statutory populations (Census 2021 numbers). Constituent Member contributions are proposed to be held at £4.6m, £2.9m of which is split equally between members, the remaining £1.7m is split based on statutory populations.

Table 3 - West Midlands Combined Authority Levy & Constituent Members Contributions

Allocations	2022/23 £m	2023/24 £m	Net Change
Birmingham	46.48	47.89	(1.41)
Coventry	15.74	14.76	0.98
Dudley	13.44	13.83	(0.39)
Sandwell	13.71	14.59	(0.88)
Solihull	9.20	9.38	(0.18)
Walsall	12.00	12.20	(0.20)
Wolverhampton	11.10	11.35	(0.26)
Total	121.66	124.00	(2.24)

- 4.4. Non-constituent Member and Observer Fees are proposed to be retained at £30,000 per Authority from 1 April 2023, the same level as in 2022/23. These fees will remain subject to review over the medium term.

Table 4 - Non-Constituent Member and Observer Fees

Non-Constituent Member Allocations	2023/24 £
Non-Constituent	
Cannock Chase District Council	30,000
North Warwickshire Borough Council	30,000
Nuneaton and Bedworth Borough Council	30,000
Redditch Borough Council	30,000
Rugby Borough Council	30,000
Shropshire Council	30,000
Stratford-on-Avon District Council	30,000
Tamworth Borough Council	30,000
Telford and Wrekin Council	30,000
Warwickshire County Council	30,000
Observers	
The Marches LEP	30,000
Fire partner contribution	30,000
Police partner contribution	30,000
Warwick District Council	30,000
Total	420,000

4.5. The contributions from the Non-Constituent and Observer authorities reflect their ability to access regeneration funds as well as wider benefits delivered by WMCA:

- Enabling cross-organisation and cross partner working to build economic resilience in the West Midlands
- Lead on Digital platforms such as deployment of c.£100m to support the 5G mobile network within the region
- Coordinated Housing and Land investments such as brownfield land development and town centre regeneration programmes
- Ongoing work on the Environmental strategy, notably WM2041

4.6. Non-Constituent authorities are currently able to able to access the WMCA loan funds (CIF and RIF totalling £210m), Brownfield Land and Property Development Fund (BLPDF) (grants up to £50m) and devolved Housing grants (totalling £253m) from government. This allows for significant opportunity for increased housing, regenerated brownfield land, economic growth and jobs, alongside increased business rates and investment into awarded areas.

4.7. With respect to the £12.0m Business Rates retention income assumption within the Budget (and presented within Table 2), this value is consistent with the principles agreed to date. This will be allocated to the Revenue Budget, underpinning both Transport and Non-Transport expenditure. As such, the WMCA Investment Programme affordable limit will remain capped at £871m. WMCA recognise the ongoing impact that Covid-19 has had on Business Rates in each of its Constituent Authorities, and so as in previous years this income would not be allocated within the Investment Programme modelling until the WM Finance Director group confirmed the collectability of this income over the future 25 years. WMCA continues to work with HMG officials as part of the TDD negotiations to secure a solution to the future retention of business rates in the region.

5.0 Draft 2023/24 Transport for West Midlands Revenue Budget

5.1. A detailed analysis of the 2023/24 TfWM Budget and Activity is included within Appendix 1. A summary position for the period 2022/23 to 2027/28 is included below:

Table 5 - Summary Transport Revenue Budget 2022/23 to 2027/28

Transport 5 Year Position	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		2027/28	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
English National Concessions Travel Scheme	47.8	33.1%	47.2	35.5%	49.3	33.3%	51.6	33.5%	53.8	31.3%	54.8	32.2%
Capital Financing	8.4	5.8%	10.2	7.7%	12.5	8.4%	12.5	8.1%	11.9	6.9%	9.6	5.6%
TfWM Policies	60.6	41.8%	65.8	49.4%	74.1	50.0%	77.5	50.3%	93.8	54.6%	94.7	55.6%
Strategic Development	4.9	3.4%	4.8	3.6%	5.6	3.8%	5.7	3.7%	5.8	3.4%	5.6	3.3%
Business Support & Elected Members	4.4	3.0%	5.1	3.9%	6.6	4.5%	6.7	4.3%	6.5	3.8%	5.6	3.3%
Commonwealth Games	18.7	12.9%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Expenditure	144.7	100.0%	133.2	100.0%	148.1	100.0%	154.1	100.0%	171.8	100.0%	170.4	100.0%
Use of Reserves	9.1		9.2		0.0		0.0		0.0		0.0	
Business Rates Growth	0.0		4.7		4.7		3.3		7.1		3.1	
Commonwealth Games	18.7		0.0		0.0		0.0		0.0		0.0	
Proposed Levy	117.0		119.4		121.7		129.0		131.5		134.0	
Total Funding	144.7		133.2		126.5		132.3		138.5		137.1	
Gap	0.0		0.0		-21.6		-21.8		-33.3		-33.3	

- 5.2. No changes to WMCA Transport policies are proposed for 2023/24, and any such proposal would be subject to full public consultation. As previously noted, WMCA has committed to developing a longer-term, sustainable budget and plan with Constituent Members during 2023. This work must include a full review of all WMCA Transport policies as part of developing a sustainable funding route for operation of the Transport network as agreed by Leaders
- 5.3. The Bus network continues to come under sustained pressure. Rising fuel costs and labour shortages coupled with uncertainty around patronage recovery are making network operation increasingly challenging. It is imperative that the network remains stable for the day-to-day needs of the region's residents.
- 5.4. The network is currently operating at around 90% of pre-Covid-19 levels but it has been sustained since March 2020 by substantial HMG financial support directly to operators. The DfT has allocated £88m of Bus Service Improvement Plan (BSIP) funding to the West Midlands. This will be paid in three instalments with the first instalment being expected by the end of December 2022. The allocations for Years 2 and 3 are dependent on successful performance against approved BSIP objectives so there is an inherent risk that some funding will be withheld should performance objectives fail to be met. Some of the funding will be used to support tendered contracts which will last from 1st January 2023 to 31st March 2025.
- 5.5. Funding within the BSIP and City Region Sustainable Transport Settlement (CRSTS) have been ringfenced for transformation, and so there are some opportunities that measures such as simplification, better bus services and more bus priority to encourage modal shift will help passenger numbers to rebound, as well as changes in Local Transport Policy and positive interventions through the £2 fare cap. Government have been engaging directly with operators and has requested that operators 'right size' their services to adapt to the new levels of patronage.
- 5.6. It is increasingly likely that operators will de-register services that are not commercially viable, for which intervention will be needed for provision of socially necessary routes. The 2023/24 budget includes a £0.8m uplift on the 2022/23 subsidised bus service budget to cover non- pay inflation pressures. It does not, however, include assumptions (nor is there sufficient financial capacity within identifiable WMCA resources) to support significant commercial de-registrations.

- 5.7. In March 2021, WMCA Board set aside £10m of Investment Programme funding to protect against risk. This remains in place to provide some resilience. However, it is a finite amount so the need for long term transformational change, as set out in the National Bus Strategy, is required to ensure that the future state is financially sustainable.
- 5.8. The English National Concessionary Travel Scheme (ENCTS) patronage continues to struggle to grow following Covid-19 with patronage remaining at approximately 70% of pre-Covid levels. To support bus operators, the WMCA has continued to pay on assumed pre-Covid patronage levels since March 2020, with agreement to do this currently being until 31st March 2023. The Government continues to support this approach and has extended the Statutory Instrument, which removes the “No Better” clause from the “No Better, No Worse” principle governing ENCTS reimbursement, to 31st March 2024. This allows Authorities to pay operators more than would be the case if they paid on actual journeys. The reimbursement reflects where operators are not running a full service and a deduction is applied in those circumstances. Under normal circumstances, the WMCA would use the DfT reimbursement model to calculate operators’ Reimbursement Rates to apply to ENCTS journeys. This has not been required whilst the Authority has been paying on assumed patronage at existing Reimbursement Rates. The DfT has indicated that it will be updating its model although this will not be available in time for the 2023/24 financial year. The WMCA and other Authorities will work alongside the DfT in the development of the model to ensure that it remains a sound tool to determine reimbursement in the future as well as to understand the DfT’s view on reimbursement principles in the interim
- 5.9. WMCA continues to proactively manage network risks through discussions with both HMG and operators with an announcement on future funding for the bus industry expected in January 2023. An update will be provided in the final budget report to February WMCA Board. These will also be factored into the development of WMCA’s longer term, sustainable budget and plan throughout 2023.
- 5.10. The 2023/24 Transport Budget will be supported by £4.7m of Business Rates Retention income.
- 5.11. The Transport Budget will also be supported by the key assumption that all Metro Lifecycle costs for 2023/24 will be met within existing resources or will be allocated funding from WMCA’s CRSTS settlement. This action supports the Budget to the value of £18.8m.

6.0 Draft 2023/24 Portfolio Revenue Budget

- 6.1. Detailed analysis of the WMCA Portfolio Budget is included within Appendix 2 and 3. A summary position for the period 2022/23 to 2027/28 is included below:

Table 6 - Summary WMCA Portfolio Budget 2022/23 to 2026/27

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.5	0.4	0.4	0.4	0.4	0.4
Investment Income	1.3	1.3	1.3	1.3	1.3	1.3
Adult Education Budget	140.6	140.6	140.6	140.6	140.6	140.6
Business Rates Growth	0.0	7.3	6.9	7.3	7.6	8.0
Revenue Grants & Other Income	5.6	16.1	2.7	2.1	2.2	2.3
Use of Reserves	6.1	0.0	0.7	0.7	0.7	0.7
Total Funding	158.7	170.4	157.3	157.0	157.5	157.9
Housing & Rengeneration	1.5	1.8	1.3	1.4	1.4	1.4
Strategy, Integration and Net Zero	5.2	5.5	4.8	4.5	4.7	4.9
Economic Delivery, Skills & Communities	148.5	159.4	147.6	147.7	147.9	148.1
Portfolio Support	3.6	3.7	3.6	3.6	3.6	3.7
Total Expenditure	158.7	170.4	157.4	157.1	157.6	158.0
Net Expenditure	0.0	0.0	-0.1	-0.1	-0.1	-0.1

- 6.2. The WMCA Portfolio Budget is primarily funded through Adult Education Grants, Constituent and Non-Constituent Member Fees and Observer Fees. It is further supported by other Devolution Deal grants and returns on cash investments.
- 6.3. From 2019/20, WMCA has had responsibility for the region's Adult Education Budget and its delivery. The total funding for 2023/24 Adult Education will not be announced until early 2023, however it is expected to be in line with 2022/23. An update will be provided in due course to WMCA Board.
- 6.4. As previously referenced, the 2023/24 WMCA Portfolio Budget will also be supported by £7.3m of Business Rates retention income.
- 6.5. Work will continue throughout 2023/24 as part of WMCA's Business Transformation Programme in order to identify and realise efficiencies. Any efficiencies identified will be reserved by WMCA's Finance Director to guard against any pressures which emerge during 2023/24 and build up further resilience.
- 6.6. From 1 April 2023, core funding for LEPs and Growth Hubs will transfer to the WMCA to enable it to discharge the functions which, previously, government commissioned through LEPs. This integration into the WMCA reflects an overall plan by Government to simplify and strengthen economic development functions across the West Midlands. Whilst the funding for the service is not yet confirmed, Government has indicated that future core funding will be reduced in part to reflect reduced geographic footprint. It is anticipated that there will be some funding to support this activity, but confirmation is expected in March 2023. LEPs have also received funds from government departments to deliver services such as the Careers Enterprise. Work is currently ongoing to clarify future funding and delivery arrangements, but as for the core funding, confirmation may not be received until March 2023. The new services will sit under the Economic Delivery, Skills & Communities Portfolio.

7.0 Mayor's Budget and Precept

- 7.1. The MTFP currently includes no Mayoral Precept commitment until 2025/26 following the 2024 Mayoral Election. The decision not to raise a Precept in 2023/24 has been discussed with the Mayor and Portfolio Leads as part of the budget setting process. It is proposed that the 2023/24 Mayor's Office £0.9m Budget is funded from a one-year extension to the Mayoral Capacity Funding. This funding is still to be confirmed by DLUHC.
- 7.2. The Mayor's Budget for 2023/24 is £0.9m and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events.
- 7.3. The Mayor must notify the WMCA of his Draft 2023/24 Budget before 1 February 2023 and this report represents that notification. The WMCA must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2023 otherwise the Mayor's Budget will be deemed approved.
- 7.4. If the WMCA makes a report, then the Mayor must have at least 5 working days to respond and can either make the requested changes or not. The WMCA must then decide whether to accept the original (or revised) Budget or veto it and approve the Budget with their requested amendments. Decisions of the WMCA are by a 2/3rds majority for setting of the Mayoral Budget.
- 7.5. The 2011 Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in Council Tax will not apply to WMCA in 2023/24, given that no precept is proposed.

8.0 West Midlands Combined Authority Medium Term Capital Programme

- 8.1. The West Midlands Combined Authority indicative Capital Programme is summarised in Table 4 and set out in further detail within Appendices 4 to 6. Table 7 below summarises the current planned capital investment between 2022/23 and 2026/27 with the 2022/23 values based on latest forecasts. The actual capital budget for 2023/24 will be influenced by financial performance in 2022/23. As such, the final 2023/24 Capital Budget will be presented for approval to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

Table 7: Summary West Midlands Combined Authority Capital Programme

WMCA CAPITAL PROGRAMME (£M)		Appendix	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Expenditure	TfWM Expenditure	4	295.8	356.9	170.4	115.8	65.2	1,004.1
	Housing and Regeneration Expenditure	5	43.5	68.0	61.9	61.1	23.6	258.1
	Investment Programme Grants to Local Authorities	6	65.8	142.5	161.2	167.5	104.0	641.0
	City Region Sustainable Transport Settlement	7	63.8	236.7	277.2	205.8	168.3	951.8
	Other	5	10.1	1.1	0.4	-	-	11.6
TOTAL EXPENDITURE			479.0	805.2	671.0	550.1	361.2	2,866.5
Funding	Investment Programme Debt		115.4	238.3	20.0	18.9	-	392.6
	TfWM Debt		3.9	59.5	67.2	71.9	0.2	202.7
	Grants		359.7	442.6	372.0	266.9	192.5	1,633.7
	Other		-	64.8	211.8	192.4	168.5	637.5
TOTAL FUNDING			479.0	805.2	671.0	550.1	361.2	2,866.5
* Provisional expenditure estimates for Investment Programme and other projects which are subject to WMCA raising additional income or yet to have the funding package fully secured.								

- 8.2. Approximately a third of the Combined Authority's planned capital investment to 2026/27 consists of expenditure directly incurred by Transport for West Midlands in pursuance of the Investment Programme and Transforming Cities Programme. Another 20% is concerned with the reimbursement of Local Authorities as part of the West Midlands Investment Programme and 10% will be spent in delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government. Just over 30% of the Combined Authority's total planned capital investment to 2026/27 consists of delivering the City Region Sustainable Transport Settlement, the allocation of which was approved by WMCA Board and DfT earlier this financial year.
- 8.3. Those larger Transport for West Midlands Programmes contain significant investment in expanding the Metro network in addition to investment in developing and delivering new local Rail stations in Birmingham and the Black Country. The Transport programme reflects the final phase of the Transforming Cities Programme, and in 2022/23 includes the completion of all WMCA delivered assets for University and Perry Barr rail station improvements and A34 / A45 Sprint.
- 8.4. The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the various Housing capital grants awarded to the Combined Authority which now total £303m.
- 8.5. The Investment Programme Grants to Local Authorities Programme includes grants payable under the original Investment Programme approved in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Regeneration) and Solihull for the UK Central Programme.
- 8.6. In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at December 2022, the cumulative value of loan commitments approved by WMCA totalled £227m (including £80m of loans which have since been repaid). The value of loans drawn and earning interest as at December 2022 was £42.1m.

- 8.7. The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or any commercial revenues expected to flow from those investments.
- 8.8. The full extent of the Investment Programme and 2016 Devolution Deal schemes remain as provisional commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Constituent Member Leaders and the WMCA Finance Directors will continue into 2023/24 to enable the gaps to be closed and no expenditure will be committed without first having a clearly available funding source.

9.0 Investment Programme

- 9.1. The WMCA Investment Programme was a product of the first devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn (gross) package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2. From a programme perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3. Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a five yearly gateway review. The first gateway review occurred during 2020/21 and WMCA worked closely with consultants appointed by DLUHC to undertake the review, with confirmation of a successful outcome received in May 2021. As such, £36.5m of income to support the Investment Programme is now expected for the next three financial years. An interim Gateway review will take place during 2023/24 and relevant updates will be provided to WMCA Board via the Financial Monitoring report as appropriate.
- 9.4. The current affordable Investment programme approved by the WMCA Board is investment of £871m across the region.

10.0 Budget Calculation

- 10.1. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2. The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services
 - Economic and community recovery from Covid-19 pandemic
 - Impact of the Russia/ Ukraine war
 - Inflation and interest rate volatility

- West Midlands Pension Fund Investment Performance
 - Unforeseen emergencies
- 10.3. The existing General Reserve Balance is £1.5 million. This balance represents only 1.2% of the aggregate proposed 2023/24 Constituent Authority contributions.
- 10.4. Whilst the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) it is generally accepted for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level, however WMCA does carry earmarked reserves in order to ensure that existing commitments can be delivered. It is also noted that it would not be appropriate for WMCA to sit on extensive general reserves whilst Constituent Members face funding challenges of their own.
- 10.5. WMCA is obliged to ensure that all resources are applied in a way which secure the best value for the region, and to continually review its performance and financial position.
- 10.6. These obligations are addressed through an annual review of the MTFP, culminating in the Draft and Final Budget reports presented to WMCA Board in January and February respectively. WMCA Board also receive the latest available financial position at each Board meeting throughout the year, with additional papers presented to seek approval for significant investments or revisions to Budget.
- 10.7. Whilst no Budget is risk-free, WMCA does still have opportunities to improve its financial position:
- Reducing all Capital Financing costs through accessing best value financing available, including the Public Works Loans Board and UK Infrastructure Bank; and
 - Optimising returns on all cash investments, continually reviewing the market for additional funds to invest in which meet WMCA's Treasury Management Strategy guidelines.
- 10.8. The Finance Director states that to the best of her knowledge and belief the 2023/24 Draft Budget calculations are robust and have full regard to:
- The expected financial position as at the end of 2022/23
 - The Transport Revenue Budget as set out in Appendix 1
 - The Portfolio Revenue Budget as set out in Appendix 2
 - The Transport Capital Programme as set out in Appendix 4
 - The Housing Capital Programme as set out in Appendix 5
 - The Investment Programme as set out in Appendix 6
 - The City Region Sustainable Transport Settlement (CRSTS) Programme as set out in Appendix 7
 - The strength of WMCA's financial control procedures including audit considerations
 - The extent of WMCA's General and Earmarked reserves.
 - The policies of Her Majesty's Government as they impact upon WMCA

11.0 Scrutiny of the budget proposals

A Mayoral Budget Q&A session was held in public on 15 December 2022. Members of WMCA's Overview and Scrutiny committee questioned the Mayor and the Portfolio Lead for Finance, Councillor Bob Sleigh, on the development of the 2023/24 Budget, financial challenges and the ongoing sustainability of WMCA. Further questions were asked on Transport policy, Trailblazer Devolution Deal, West Midlands Growth Company and WM2041.

- 11.1. The matters identified that arose out of the Mayoral Q&A on 15 December 2022 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

12.0 Legal Implications

- 12.1. Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. There are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2. As the Mayor did not include setting a precept as part of his 2021 Election Manifesto, the funding of budget proposals in respect of Mayoral functions is expected to be met from alternative funding sources until 2025/26 at the earliest.
- 12.3. As a public authority which has the power to levy for transport functions and to raise a precept, WMCA must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the WMCA Board.

13.0 Equalities Implications

- 13.1. There is no direct equality impact in relation to the 2023/24 Budget proposals as funding has been maintained and service provision is not affected. However, there are increased risks and financial uncertainties due to general economic conditions and in particular inflation, supply chain issues and energy costs.
- 13.2. A number of mitigating measures have been considered as part of Budget planning which should help mitigate any negative impact, but the scale of change may result in the need for additional considerations in relation to assisted travel policies. The protected characteristics most likely to be affected are those on lower incomes with fewer economic resources who are more reliant on public transport. This would include young people, women, single parents, people from lower socio-economic groups, ethnic minorities and disabled people.

13.3. Future policy options would need to undergo in-depth equality impact assessments and engagement/consultation with affected groups to ensure negative impact is mitigated as far as practically possible.

14.0 Inclusive Growth Implications

14.1. West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

15.0 Geographical Area of Report's Implications

15.1. The Budget proposals encompass the West Midlands region.

16.0 Appendices

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget (Non-Transport)

Appendix 3 – Activity for 2023/24

Appendix 4 – Transport Capital Programme

Appendix 5 – Housing & Other Capital Programme

Appendix 6 – Investment Programme Capital Grants to Local Authorities

Appendix 7 – City Region Sustainable Transport Settlement

Appendix 8 – Mayoral Q&A - Budget 2023/24

Proposed Transport Revenue Budget

	2022/23 BUDGET £000	2023/24 Budget £000	2024/25 MTFP £000	2025/26 MTFP £000	2026/27 MTFP £000	2027/28 MTFP £000
Transport Levy	117,015	119,355	121,742	128,977	131,460	133,994
Business Rates		4,674	4,735	3,297	7,089	3,127
Use of Reserves	9,078	9,201				
Efficiency Target	582	3,000				
TOTAL FUNDING	126,674	136,229	126,477	132,274	138,549	137,120
Concessions						
National Bus Concession	47,843	47,248	49,338	51,649	53,784	54,827
Metro / Rail	4,576	4,574	4,590	4,597	4,604	4,714
Child Concession	6,710	7,166	7,402	7,656	7,954	8,300
	59,130	58,988	61,331	63,902	66,342	67,841
Bus Services						
Bus Stations / Infrastructure	5,643	5,934	6,589	7,125	7,562	7,698
Subsidised Network	13,420	14,255	15,143	15,301	15,656	15,656
Accessible Transport	6,638	6,633	6,653	6,659	6,666	6,673
	25,702	26,823	28,385	29,086	29,884	30,027
Rail and Metro Services						
Metro Services	6,137	10,899	12,670	15,235	31,042	31,692
Rail Services	4,165	4,852	4,524	4,588	4,657	4,657
	10,302	15,751	17,194	19,823	35,699	36,349
Integration						
Safety and Security	1,257	2,778	2,811	2,930	3,042	3,125
Passenger Information	6,959	6,537	7,656	7,927	8,053	7,765
Sustainable Travel	1,893	1,956	2,574	1,894	918	899
	10,109	11,271	13,040	12,751	12,013	11,789
Network Resilience	3,744	3,197	3,501	3,604	3,653	3,557
Commonwealth Games	0	0	0	(0)	0	0
Business and Democratic Support	4,279	4,999	6,462	6,537	6,343	5,463
Strategic Development	4,863	4,840	5,607	5,746	5,802	5,641
Transport Governance	135	141	147	153	160	167
Capital Finance Charges	8,410	10,219	12,453	12,522	11,910	9,568
TOTAL EXPENDITURE	126,674	136,229	148,119	154,123	171,806	170,401
NET Expenditure	0	0	(21,642)	(21,849)	(33,257)	(33,281)

ENCTS (National Bus Concession) £47.2m

- Free Travel for all entitled to national pass from 9.30am to 11pm
- Reimbursement regulated by Secretary of State with guidance provided by DfT
- Current discretionary scheme extension 11pm to last bus

Child Concessions £7.2m

- Half fare travel
- Children 5-15 Years
- Young adults in education 16-18 Years
- Apprentices and Trainees 16-18 Years Weekdays before 9.30 am & between 15.00 & 18.00 Hrs

Rail and Metro Concessions £4.6m

- Extensions of national bus scheme to rail and metro
- After 9.30pm to midnight weekdays, all day weekends and bank holidays
- Rail estimated 4.6m trips per annum (pre-Covid-19)
- Metro approx. 1.0m trips per annum (pre-Covid-19)

Subsidised services £14.3m

- Policy criteria -Minimum 8 passengers per journey
- The current VFM Thresholds are £4.10 for tendered contract
- Access criteria 400m (7am -7pm) 700m (all other times)

Accessible Transport £6.7m

- Ring & Ride service operated by National Express Accessible Transport.
- Prior to Covid this affected 14,000 users / 700,000 trips per annum although this has been critically impacted by the coronavirus pandemic. There are now approximately 3,100 active users / 175,000 trips per annum

Passenger information £6.6m

- Real time information across the network
- Customer information is a focus in all formats: at bus stops, shelters, bus stations & online
- Travel Information Centres
- We continue to provide and invest in customer service teams and telephone support

Bus Stations/Infrastructure £5.9m

- Management and Maintenance of 12 Bus stations, circa 12,000 stops and shelters
- Infrastructure Costs –cleaning, repairs, rates, CCTV, Electricity, routine maintenance
- Bus policy development options

Rail Services £4.9m

- Provision, management, on-going maintenance and operation of 45 Park and Ride sites, circa 9,100 spaces
- Delivery of TfWM Rail responsibilities including capital projects and industry engagement
- WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has co-responsibilities with the DfT for managing the West Midlands Rail franchise

Metro Services £10.9m

- Subsidy and franchise assumptions continue to be reviewed in light of pandemic recovery

Safety and Security £2.8m

- Safer Travel police team, CCTV at Bus & Rail Stations including interchanges, CCTV control Centre

Business & Democratic Support £5.0m

- This covers the transport related element of support and overhead costs attributable to 16 Summer Lane, ICT, Legal, Procurement, Health & Safety, Equalities, Programme Management, Finance, Human Resources, & general business infrastructure & support

Strategic Development £4.8m

- Transport Team delivering plans for devolution, strategic economic plan proposals, developing business cases and related policy and strategy development.

Capital Finance Charges £10.2m

- Loan interest on existing loan book and anticipated future borrowing
- Past Pension costs and deficit funding arrangements

Network Resilience £3.2m

- Resource to work on managing congestion and mitigating impact of the wider transport investment programme
- Resource to assist in embedding the Key Route Network as part of an integrated transport system to support economic performance and keep people safe and well informed
- Costs associated with operating the RTCC (Regional Transport Coordination Centre)
- To deliver both agreed and emerging policies (e.g. Congestion Management Plan, Highways Investment Plan, Regional Road Safety Strategy)

Sustainable Travel £2.0m

- This represents the costs of Sustainable travel work within TfWM including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Bike Hire project.

Transport Governance £0.1m

- This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee

Proposed West Midlands Combined Authority Portfolio Budgets

Annex A – Employment and Skills

Annex B – Housing and Regeneration

Annex C – Economy & Innovation

Annex D – Culture and Digital

Annex E – Health & Communities

Annex F – Levelling Up

Annex G – Environment, Energy and HS2

Annex H – Inclusive Communities

Annex I – Central Funding & Recharges

Employment and Skills

Employment and Skills	2022/23 Budget £	2023/24 Budget £	Movement
Use of Reserves	90,000	77,681	(12,319)
Grants	143,144,300	152,176,084	9,031,785
Contributions from Third Parties	-	141,649	141,649
Investment Programme Funding	298,411	-	(298,411)
Total Income	143,532,711	152,395,415	8,862,704
Staff Costs	3,062,466	4,021,838	959,372
Training & Development	140,851,385	149,055,848	8,204,463
Promotions, Information and Initiatives	121,860	126,860	5,000
External Advice	1,113,531	803,966	(309,565)
Travel & Subsistence	10,826	17,151	6,325
Direct Recharges	78,027	82,105	4,078
Indirect Recharges	200,000	250,000	50,000
Total Expenditure	145,438,095	154,357,768	8,919,672
Net Expenditure	1,905,384	1,962,353	56,968

Housing and Regeneration Portfolio

Housing & Regeneration	2022/23 Budget £	2023/24 Budget £	Movement
Grants	1,454,688	1,843,764	389,076
Total Income	1,454,688	1,843,764	389,076
Staff Costs	1,630,515	2,154,784	(524,268)
External Advice	758,921	676,080	82,841
Utilities	-	211,369	(211,369)
Travel & Subsistence	3,609	2,758	850
Direct Recharges	(938,357)	(1,201,227)	262,870
Total Expenditure	1,454,688	1,843,764	(389,076)
Net Expenditure	0	0	0

Economy & Innovation Portfolio

Economy and Innovation	2022/23 Budget £	2023/24 Budget £	Movement
Grants	718,000	1,360,154	642,154
Investment Programme Funding	567,492	-	(567,492)
Use of Reserves	-	-	-
Total Income	1,285,492	1,360,154	74,661
Staff Costs	625,293	772,848	147,555
Contributions to Third Parties	1,001,500	1,931,074	929,574
Promotions, Information and Initiatives	77,325	77,325	-
External Advice	1,191,829	845,314	(346,514)
Governance Expenditure	-	-	-
Direct Recharges	-	50,000	50,000
Indirect Recharges	-	-	-
Total Expenditure	2,895,946	3,676,561	780,614
Net Expenditure	1,610,454	2,316,407	705,953

Culture and Digital Portfolio

Culture and Digital	2022/23 Budget £	2023/24 Budget £	Movement
Grants	-	-	-
Investment Programme Funding	-	272,050	272,050
Total Income	-	272,050	272,050
Staff Costs	63,196	193,904	(130,707)
External Advice	359,534	534,050	(174,516)
Total Expenditure	422,730	727,954	238,877
Net Expenditure	422,730	455,904	(33,173)

Health & Communities

Health and Communities	2022/23 Budget £	2023/24 Budget £	Movement
Grants	231,197	363,972	132,775
Other Income	-	-	-
Total Income	231,197	363,972	132,775
Staff Costs	959,929	1,137,136	(177,207)
Promotions, Information and Initiatives	5,500	28,000	(22,500)
External Advice	236,099	233,123	2,976
Travel & Subsistence	600	600	-
Other	-	-	-
Direct Recharges	-	-	-
Indirect Recharges	-	-	-
Total Expenditure	1,202,128	1,398,859	(196,731)
Net Expenditure	970,931	1,034,887	(63,956)

Levelling Up

Levelling Up	2022/23 Budget £	2023/24 Budget £	Movement
Grants	81,297	-	(81,297)
Use of Reserves	12,260	-	(12,260)
Total Income	93,557	-	(93,557)
Staff Costs	1,075,186	981,913	(93,272)
Contributions to Third Parties	1,200,000	625,000	(575,000)
External Advice	354,406	543,988	189,582
Promotions, Information and Initiatives	36,000	-	(36,000)
Indirect Recharges	-	-	-
Total Expenditure	2,665,592	2,150,901	(514,691)
Net Expenditure	2,572,035	2,150,901	(421,134)

Environment, Energy and HS2

Environment and Energy, HS2	2022/23 Budget £	2023/24 Budget £	Movement
Grants	-	-	-
Investment Programme Funding	941,528	739,175	(202,354)
Total Income	941,528	739,175	(202,354)
Staff Costs	1,121,191	934,033	(187,158)
Contributions to Third Parties	-	360,474	360,474
External Advice	717,995	790,474	72,479
Travel & Subsistence	-	-	-
Total Expenditure	1,839,186	2,084,981	245,795
Net Expenditure	897,658	1,345,806	448,149

Inclusive Communities Portfolio

Inclusive Communities	2022/23 Budget £	2023/24 Budget £	Movement
Grants	478,331	469,828	(8,503)
Use of Reserves	13,000	-	(13,000)
Total Income	491,331	469,828	(21,503)
Staff Costs	559,348	674,995	115,647
Contributions to Third Parties	403,425	315,656	(87,769)
Promotions, Information and Initiatives	25,775	28,628	2,853
External Advice	284,421	285,000	579
Travel & Subsistence	-	-	-
Other	2,062	-	(2,062)
Direct Recharges	-	10,000	10,000
Indirect Recharges	-	-	-
Total Expenditure	1,275,031	1,314,279	39,248
Net Expenditure	783,700	844,451	60,751

Central Funding & Recharges

Central Funding & Recharges	2022/23 Budget £	2023/24 Budget £	Movement
Grants	153,590	86,648	(66,942)
Investment Income	1,293,500	1,293,500	0
Business Rates Growth Income	-	7,326,431	7,326,431
Constituent & Non-Constituent Member fees	5,153,818	5,063,814	(90,004)
Other Income	-	-	-
Use of Specific Reserves	6,116,670	-	(6,116,670)
Total Income	12,717,577	13,770,393	1,052,816
Other	-	105,000	(105,000)
Indirect Recharges	3,554,684	3,554,684	(0)
Total Expenditure	3,554,684	3,659,684	(105,000)
Net Expenditure	(9,162,893)	(10,110,709)	947,816

APPENDIX 3 – PROPOSED ACTIVITY FOR 2023/24

The following High Level Deliverables are proposed in order to support delivery of the WMCA Aims and Objectives for 2023/24. Work will continue to finalise these ahead of inclusion in the Annual Business Plan which will be presented to WMCA Board in February 2023.

AIM	OBJECTIVE	DRAFT HIGH LEVEL DELIVERABLE
Aim 1: To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs		
1.1	We will drive growth by developing regional strategies and plans focussed on priority clusters, boosting innovation, and securing investment	Develop a broader regional economic policy to drive inclusive growth, co-ordination of policy & support the business taxation commission.
		Adoption, mobilisation, and delivery of P4G and P4G implementation plans (cross cutting interventions) - to include influencing funding allocations.
		Develop a strategic partnership with a tech firm to deliver a set of core deliverables on the digital economy.
		Deliver the Create Central business growth plan.
		Plan for Growth - Build a coherent and cohesive approach to cluster growth that aims to deliver across the economy - linking into wider policy and related economy goals
		Begin process of linking cluster approach into wider economy decisions (e.g., land, skills, investment) with WMCA and wider partners
		UKSPF - Business Support - Enable delivery by partners of successful first year in business support ecosystem, inc. establishment and oversight of WM-wide "core hub" activities with WMCA SPF Business Programmes
1.2	We will work with partners to create the optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed	Deliver the WM Innovation Programme and Made Smarter West Midlands programme.
		Convene discussions with BEIS and partners to accelerate innovation programmes (or bodies) for the West Midlands.
1.3	We will invest in training and skills programmes that help our businesses grow and our citizens secure good jobs	Develop more AEB provision to align to plan for growth and to meet current and/or emerging skills needs - monitoring, managing and flexing provision as required
		Use available evidence to understand and respond to the labour market needs of the region
1.4	We will work with local authorities to support the role of culture and sport in making the region a good place to live, work, visit and invest	Align cultural activity across the region through support for the Cultural Leadership Board (sector) and Cultural Officers Group (LA, LEP, WMGC).
		Delivery of CDF Underspend Grant activity in the Black Country
1.5	We will ensure public and private investment opportunities such as HS2 & the Commonwealth Games, create good work opportunities for local people and more contracts for local businesses	Develop proposals and support business cases to increase public investment in culture, particularly in areas where cultural activity is lower

Aim 2: To ensure everyone has the opportunity to benefit as the region recovers from COVID-19, improves resilience and tackles long-standing challenges.

2.1	We will work with partners to give our communities access to training and employment support to secure and succeed in new opportunities	Create 10,000 starts on level 3 training provision
		Create 4,350 starts on level 3 bootcamps
		Create 5,000 starts on 'into employment' provision; 3,000 outcomes
		Develop 70% of L2/3 training aligned with sector plans
		Create 5,000 enrolments on basic skills provision
2.2	We will work with partners to identify and address the different barriers faced by our diverse communities	Support and develop the Coalition for Digital Inclusion
		Establish Life Chances Commission
		Conclude the Mental Health Commission and take forward the recommendations with internal and external partners.
		Convene partners to take action to address race inequalities through the Race Equalities Taskforce
		Support and develop the Young Combined Authority to deliver a programme of activity that puts young people's concerns at the heart of regional policymaking
Support and develop the Leadership Commission through a clear work programme which interfaces with other taskforces and commissions.		
2.3	We will support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners	Develop and deliver a work programme to promote and enhance an evidence-based approach to preventing and tackling health inequalities in the WMCA and amongst other regional partners.
		Continue to deliver and extend the Thrive into Work programme and move to embed it as business as usual in primary and community care.
		Continue delivery of Thrive-at-Work programme as it transitions to becoming a more self-sustaining and autonomous project
		Develop new approaches to social innovation in the region including exemplar initiatives, training opportunities and a cross-agency virtual team.
		Ongoing facilitation of the Homelessness Taskforce, Members Advisory Group and associated task groups, including by delivery of pilot activity, including looking at alternative funding models for preventative activity.
		Ongoing oversight of Housing First pilot, Rough Sleepers Accommodation Programme and Rough Sleeping Initiative, along with any other externally funded activity
		Deliver a Coalition on Trauma-Informed approaches, including implementing a regional vision, training framework and commissioning processes.
		Support a pilot programme of public sector leadership development with CIVIC and explore opportunities for wider roll-out.
		Develop collaborative projects with the Police and Crime Commissioner to help reduce crime and improve the criminal justice system

Aim 3: Connect our communities by delivering transport and unlocking housing and regeneration schemes

3.1	We will deliver and operate a safe, accessible, affordable, reliable, and sustainable transport system together with our partners	Increasing the efficiency and performance of transport delivery in the West Midlands
		Fund essential supported services that provide a social benefit including concessions, ring and ride, and tendered bus services
		Develop and enhance frontline services and infrastructure that deliver high quality experiences that meet changing customer demands at TfWM facility, bus stations and interchanges.
		Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA
		Creating and maintaining accurate and reliable public transport travel information including the requirements set out in the National Bus Strategy and Vision for Bus.
		Work in collaboration with Government, Operators and the wider rail industry to deliver better outcomes from today's railway
		Co-manage the West Midlands rail franchise, through West Midlands Rail Executive
		Managing the West Midlands Transport Network through improved coordination with the Regional Transport Co-ordination Centre
		Keep the transport system safe and secure
		Develop and enhancing the performance of the Key Route Network (KRN)
		Improving the financial, operational and asset performance of WM Metro to support metro services and network expansions
		Maintain & publish a West Midlands Local Transport Plan and embed transport policy and strategy in the plans and programmes of the wider WMCA & partners.
		Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use the West Midlands transport system
		Continue to develop and maintain a robust common data environment for the West Midlands transport system
		Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes
		Creating a system for easy to use and affordable payments to access the transport system
		Walking & Cycling Active Travel Behaviour Change Delivery. Deliver, monitor and evaluate 23/24 Behaviour change projects.
		New Behaviour Change Strategy to support and drive the work of the Behaviour Change Hub within Network Resilience
		Transport Network Resilience Plan
		Establish Drone Team
Develop a Framework that emphasises the importance of Transport for Event Organisers and Key Stakeholders		
Enhance Partnership Working with the Regions Local Resilience Forum		
3.2	We will build and develop transport infrastructure	Ensure the delivery of the CRSTS Capital Programme, including the TfWM Infrastructure programme

	that is sustainable, active, low-congestion and integrated with key projects like HS2	<p>Plan, deliver and operate the West Midlands Walking and Cycling Programme</p> <p>Delivering our bus vision and BSIP to support inclusive growth.</p> <p>Building and planning tomorrow's railways by delivering the Rail Investment Programme</p> <p>Extending the WM Metro Network to better serve more people and businesses delivering Westside (Edge), Wolverhampton City Centre, WBHE and Birmingham East Side extensions.</p> <p>Keeping the West Midlands Moving by mitigating the impacts of transport investment programmes through Travel Demand Management</p>
3.3	We will invest in and support housing and regeneration schemes, working closely with the private sector and local authorities to unlock and accelerate sustainable delivery	<p>Delivery of prescribed requirements, measures and output targets of the 2018 Housing Deal & subsequent funding deals and agreements with HMG</p> <p>Supporting Local Planning Authorities with evidence requirements for Local Plans and other policy requirements</p> <p>Develop and support Board approved policy development work e.g., Master-planning and West Midlands Design Charter</p> <p>Lead, manage and deliver the WMCA's' nationally leading brownfield regeneration, housing and land programmes</p> <p>Work closely with all local authorities across the WMCA and developers/ investors/ HMG agencies to develop a strong regeneration and development project and investment pipeline</p> <p>Organise and lead a series of industry led taskforces to provide critical insight, challenge, advocacy, and support to the work of the Housing and Land Board</p> <p>Lead WMCA Strategic Acquisitions, Disposals and Asset Management programmes</p> <p>Establish new and strengthen existing partnerships, ventures, and joint approaches with public and private sector partners across the whole of the region to deliver local priorities</p> <p>Support and enable Affordable Housing Delivery across the West Midlands including new partnerships and pilot approaches</p> <p>Deliver and submit compelling business cases for additional funding and support to the West Midlands from HMG</p> <p>Oversee and manage the development and delivery of the regional One Public Estate and Place Pilots Programmes</p>
3.4	We will support and deliver co-ordinated investment packages with our partners across key corridors and local, town, and city centres	<p>Produce the annual West Midlands Investment Prospectus and deliver associated partner engagement</p> <p>Support local authorities and other partners on policy, projects, funding bids and investment plans in town centres</p> <p>Lobby/engage with HMG on behalf of the region on a diverse range of housing, land and regeneration matters</p> <p>Lead the development and coordinate the delivery of a Single Property and Estates Strategy including a single asset register for the WMCA Estate</p> <p>Deliver a comprehensive programme supporting the effective implementation of the public land charter through collaborative working with the Cabinet Office, LGA, industry taskforces & local partners</p> <p>Leading the development and negotiation of the approved Housing and Land Board asks of the Trailblazer Devolution Deal</p>

		Developing Park & Ride assets to support better access to the transport system including making our transport assets more affordable by increasing commercial revenues
		Embedding, co-ordinating, and operationalising Inclusive Growth in the WMCA
		Develop Inclusive Growth web portal as a microsite on the WMCA website
		Putting Inclusive Growth in action by supporting local and regional partners to embed the approach in their work
		Inclusive Growth dashboard. Develop an interactive Inclusive Growth data dashboard

Aim 4: To reduce carbon emissions to net zero, enhance the environment and boost climate resilience

4.1	We will work with partners to attract investment in and deliver programmes to support net zero development and infrastructure	Develop a system to measure and monitor progress on decarbonisation and other sustainability goals in the region with clear reporting to regional partners
		Promote green investment in the region working with partners to leverage commercial finance and co-investment in key investable propositions, building on research and development opportunities in the region
		Maintenance of net zero and environment data dashboard
		West Midlands Industrial Symbiosis project delivery
4.2	We will be national pioneers in advanced methods of construction, zero carbon housing and brownfield regeneration and delivery, informed by research at the National Brownfield Institute	Develop, lead and support the preparation of a landmark West Midlands Future Homes Strategy
		Deploy devolved Housing and Land Funds in accordance with the principles and targets of the approved AMC and Zero Carbon Homes Charters
4.3	We will convene partners to drive industrial decarbonisation and grow the low carbon and circular economy	Develop and implement the Circular Economy Route map priorities including an Industrial Symbiosis programme, Zero Carbon Construction Waste Hubs and wider enabling activities
		Develop and implement a programme of activities to rapidly reduce the Scope 1 and 2 carbon emissions of the WMCA including a scheme to decarbonise 16 Summer Lane and staff carbon literacy programme
		Lead and implement initiatives designed to build a sustainability legacy from the B2022 Commonwealth Games including Commonwealth Forest and Carbon Literacy programmes
		Work with partners on industrial decarbonisation and other initiatives to support regional businesses to decarbonise their operations including through the Net Zero Business Pledge
		WMCA Environment Plan: Y1 review - Produce 1 report on WMCA Environment Plan to SAB and CMT, covering the progress made since publication.
		Development of circular economy community toolkit
4.4	We will pioneer and embed transport innovations and drive	Delivering a step change in our Mass Transit Network (including Sprint and Metro delivery programmes) to unlock inclusive growth and tackle climate change

	behaviour change to reduce emissions, improve air quality, and enable the creation of green jobs	Develop and agree a strategy and target date to deliver a zero-emission bus fleet and supporting infrastructure across the West Midlands
		Create a strategic transport innovation eco-system by delivering the West Midlands Future Transport Zone programme
		Deliver a wide-ranging Net Zero Behaviour Change programme to citizens across the region including the development of a WM Net Zero Citizens' Panel
		Develop and deliver the agreed regional approach to tackling air pollution through the development of a Regional Air Quality Framework
		Air quality behaviour change campaigns
		Air quality framework delivery
4.5	We will work with partners to increase investment in nature and our surroundings	Develop and support the regional Climate Adaptation Strategy and identify and deliver key activities for the WMCA and our partners
		Support community partners to enhance access to quality green space through a Community Green Grants programme
		Implement activities to deliver the Natural Environment Plan including LNRA, Virtual Forest, project pipeline and WM In setting Fund
		WM Forest Partnership
		Support WMCA departments with WMCA Adaptation Plan delivery and work with regional organisations
		WM Walking Trail
		WMCA area adaptation pathfinder

Aim 5: To secure new powers and resources from central government, and demonstrate the strength of our regional partnership		
5.1	We will work with partners to understand their priorities, convene around shared opportunities, and deliver together	Develop and maintain a deep understanding of the principles and challenges of our local authority members through sustained engagement at multiple levels across organisations
		Convene community groups and the third sector to understand their experiences, amplify their voices and support shared endeavours on regional challenges
		Develop approach for the coordination of research, intelligence, analysis and data so that WMCA programmes and activities are evidence-based and measured, monitored and evaluated consistently against our outcome's framework
		Develop approach for RIAD coordination. Develop approach for the coordination of research, intelligence, analysis and data so that WMCA programmes and activities are evidence-based and measured, monitored and evaluated consistently against our outcome's framework
		Regional monitoring on key metrics. Develop a refreshed approach to regional monitoring of key metrics for the Mayor and the WMCA Board
		Influencing and engaging with regional ecosystem. Influencing and engaging to create a thriving regional research ecosystem by helping our partners succeed, training and developing data literacy and data skills

		Develop research programme. Design, develop and deliver research programme to coordinate and better commission and better connect research in a way that inspires action.
		Produce data and analytics development plan. Develop a data and analytics development plan with the aim to reduce duplication and enable reuse of data in line with our Digital Roadmap
		Develop a refreshed approach to regional monitoring of key metrics, to meet the needs of the Mayor and the WMCA Board, as well as the Economic Growth Board and local and regional partners
		Design, develop and deliver research programme to coordinate and better commission and better connect research in a way that inspires action.
		Develop a data and analytics development plan with the aim to reduce duplication and enable reuse of data in line with our Digital Roadmap
		Influencing other sectors to adopt the Inclusive Growth approach
5.2	We will work with central government to gain new powers and resources for the region, including double devolution	Make the case for local rail devolution to deliver better outcomes for a future railway
		Negotiate the further devolution of powers and flexibilities from central government
		Secure the resources needed for sustainable local and regional institutions and investment in priority projects through government budgets and funding streams
		Co-ordinating WMCA and regional responses to relevant fiscal events and government announcements
		Develop and deliver a co-ordinated regional approach to lobbying through the monthly Public Affairs Network
		Establish commitment to further devolution of powers and funding to MCA's by developing post-TDD Long term lobbying strategy

Aim 6: To develop our organisation and our role as a good regional partner		
6.1	We will deliver as one organisation with a collaborative and inclusive culture, underpinned by best in class enabling services	Implement new ways of working
		Balanced revenue budget for 2023/2024
		Manage and deliver modern high-class FM and Business Support services for WMCA and its estate tenants
		Manage and deliver high quality fit for purpose asset management and income generation services with the necessary supporting systems, data and information
		Coordinate engagement with MPs and partnerships with Local Authority partners across senior stakeholders, providing clarity on our aims and the WMCA role. Identify opportunities where this engagement can provide support and advocacy for WMCA priorities
6.2	We will drive cultural change to embed new hybrid and agile ways of working	Manage and deliver hybrid and agile working programmes and associated policy changes across the WMCA
		Deliver and coordinate investment in the modernisation and improvement of 16 Summer Lane to support business needs

		Lead on Business Continuity planning and delivery of HQ Emergency Response Plan
		Implement space & services strategy
6.3	We will ensure our workforce have the skills and competencies to deliver our strategy	Develop the Business Partnering approach
		Develop training & development programme
6.4	We will empower our organisation through digital-first and data enabled ways of working across all our activity	Improve/integrate our digital architecture
		Modernise our technology
		Protect and manage our infrastructure
		Enhance digital experience & interaction
6.5	We will provide leading support for a diverse workforce and demonstrate excellent equality and diversity practice	Develop our "employer offer"
		Support Health & Wellbeing
		Build Staff competencies
		Improve our Workforce data
6.6	We will involve citizens with our work to put their views at the heart of our planning, decision making and delivery	Develop and support a varied portfolio of citizen engagement activity across the WMCA to ensure decisions are shaped by citizens and that our policies, practices, and investments deliver real value for everyone living and working in the region
6.7	We will deliver through clear and effective governance and performance management that supports good, timely, and transparent decision making and the best use of public funds	Support delivery of key business projects
		External legal and procurement case management system
		Support Business Cases through SAF

APPENDIX 4 - Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (€M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	69.2	131.1	48.0	67.7	-	316.0
	Metro Centenary Square Extension	0.6	-	-	-	-	0.6
	Metro Birmingham Eastside Extension	57.1	65.1	18.9	4.0	-	145.1
	Metro Edgbaston Extension	6.4	-	-	-	-	6.4
	Metro Network Enhancements	2.6	3.2	0.3	0.2	0.2	6.5
	Wolverhampton Metro Extension	8.4	0.3	-	-	-	8.7
	Buy Before Boarding	2.1	5.6	1.0	0.1	0.6	9.4
	Metro Enabling and Other Works	3.9	0.2	-	-	-	4.0
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	31.4	20.2	0.7	-	-	52.3
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	10.5	29.7	3.0	-	-	43.2
	Rail - Sutton Coldfield Gateway	0.0	1.3	5.0	15.0	-	21.3
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.7	-	-	-	3.9
	Sprint - Longbridge to Birmingham	0.2	-	17.2	11.7	13.4	42.5
	Sprint - Hall Green to Interchange via Solihull	0.2	-	7.3	5.7	18.8	32.0
	Sprint - Hagley Road Phase 2	0.2	-	11.2	11.2	32.2	54.8
	Sprint - Sutton Coldfield to Birmingham	-	-	25.9	-	-	25.9
INVESTMENT PROGRAMME TOTAL	195.1	258.3	138.3	115.7	65.2	772.6	
Other Major Programmes	Sprint - A45 Birmingham to Airport and Solihull	13.8	1.0	-	-	-	14.8
	Sprint - A34 Walsall to Birmingham	7.7	0.6	-	-	-	8.3
	University Station Improvement Project	19.6	1.3	-	-	-	20.9
	Perry Barr Rail Station	7.7	-	-	-	-	7.7
	Regional Traffic Control Centre	6.5	2.1	-	-	-	8.6
	Perry Barr Mitigation Package	0.0	0.2	-	-	-	0.3
	Birchley Island - Sandwell MBC	0.5	-	-	-	-	0.5
	Commonwealth Games Public Realm - Local Authority	0.6	-	-	-	-	0.6
	Dudley Interchange	1.1	1.9	16.2	0.0	-	19.2
	Cross City Bus - City Centre & Druids Heath	0.6	9.6	11.8	-	-	22.0
	Coventry City Electric Bus	16.2	24.9	2.4	0.1	-	43.6
	Zero Emission Bus Regional Area (ZEBRA)	-	30.4	-	-	-	30.4
	Future Mobility Zone	5.9	2.5	-	-	-	8.3
	Other Works	0.6	-	-	-	-	0.6
OTHER MAJOR SCHEMES PROGRAMME TOTAL	80.7	74.4	30.4	0.2	-	185.6	
Minor Works Programme	A435 Alcester Rd Bus Priority Revitalisation	0.5	0.7	-	-	-	1.2
	Strategic Transport Officer Group Top Slice	0.1	0.2	-	-	-	0.3
	Priority One Development Schemes	0.6	0.5	-	-	-	1.0
	Tackling Nitrogen Dioxide	0.2	-	-	-	-	0.2
	Asset Management Programme	2.0	0.1	-	-	-	2.1
	M6 Toll - In Vehicle Messaging	0.7	0.3	-	-	-	1.0
	Air Quality	0.6	0.4	-	-	-	1.0
	Other Works	1.9	0.2	-	-	-	2.1
MINOR WORKS PROGRAMME TOTAL	6.6	2.3	-	-	-	8.9	
Grants to Local Authorities Programme	Active Travel Fund- Tranche 3	0.7	16.6	-	-	-	17.3
	Priority 1 Delivery- Perry Barr- Sutton Coldfield	0.1	1.2	0.2	-	-	1.5
	Priority 1 Delivery- A45 Coventry Road Birmingham	0.1	2.9	1.5	-	-	4.5
	Priority 1 Delivery- Binley Road Coventry	4.6	-	-	-	-	4.6
	Priority 1 Delivery- WTBH Metro Corridor Access Improvements	0.6	0.5	-	-	-	1.0
	B4106 Spon End - Coventry CC	1.0	-	-	-	-	1.0
	New St/High St/Victoria Sq Public Realm - Birmingham CC	2.1	-	-	-	-	2.1
	MRN-A4123 Corridor -A4150 Ring Road to A456 Hagley Road	0.2	0.2	-	-	-	0.4
	MRN - M5 J1 - Sandwell	0.0	0.2	-	-	-	0.3
	MRN-Cov North Package Link M6	0.0	0.2	-	-	-	0.2
	MRN-A452 Balsall Common Bypass	0.4	0.1	-	-	-	0.5
	Major Road Network- A454 Wolverhampton to Neachells	0.4	-	-	-	-	0.4
	Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road	0.5	-	-	-	-	0.5
	Major Road Network- A46 Link Road Ph3 Coventry	0.3	-	-	-	-	0.3
	Major Road Network - A461	0.8	-	-	-	-	0.8
	MRN-A4540 Bham Middleway -Eastside	0.7	-	-	-	-	0.7
Other Works	1.2	-	-	-	-	1.2	
GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL	13.4	21.8	1.7	-	-	36.9	
TRANSPORT TOTAL	295.8	356.9	170.4	115.8	65.2	1,004.1	

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2022/23) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.

The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

APPENDIX 5 – Housing and Land/Other Capital Programme

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	4.2	4.9	0.7	0.8	0.0	10.8
Remediation	LPIF (Black Country Consortium)	21.4	15.1	0.1	0.1	-	36.7
Land Fund	Land Fund - Simon Digby	-0.0	0.6	1.8	0.6	-	3.0
	Land Fund - Stone Yard	0.0	1.0	0.0	1.0	0.0	2.1
	LF - Abbotts Lane	2.2					2.2
	Land Fund - Aga	-	0.0	0.4	0.4	0.4	1.1
	Land Fund - Portersfield	0.1	0.6	0.3	3.8	1.4	6.1
	Land Fund - Fountain Lane	0.9	0.9	0.6	-	-	2.3
	Land Fund - Brierley Hill	0.2					0.2
	Land Fund - Port Loop phase 3 & 4	0.6	2.7	0.0	0.0	-	3.3
	Land Fund - Culwell St	1.8	2.3	1.2	0.1	-	5.3
	Brownfield Land - Pipeline	2.0	24.8	43.6	33.7	15.4	119.4
	Woodend Henley Manor Farm	0.9	0.2	-	-	-	1.1
	Brownfield Land - Phoenix Park	0.8	1.7	-	-	-	2.6
	Brownfield Land - Murdoch and Pitman	0.3	1.1	0.2	0.2	-	1.8
	Brownfield Land - Black Country Lvg Museum	0.7	0.0	0.0	-	-	0.7
	Brownfield Land - Globe House	0.4	0.2	-	-	-	0.6
	Brownfield Land - Erdington Baths	0.0	0.7	1.4	0.0	-	2.1
	National Competitive Fund - Pipeline	-	0.4	4.4	9.5	1.8	16.1
	National Competitive Fund - West Longbridge	2.1	0.0	0.0	0.0	0.0	2.2
	Land Fund - Dobbs Street	0.0	0.1	0.2	0.2	-	0.6
	Land Fund - Lioncourt	0.4	0.2	-0.0	-	-	0.5
	Land Fund - Friar Park	0.4	0.1	0.0	4.5	0.0	5.0
	Land Fund - Pipeline	0.4	8.6	6.3	6.2	4.6	26.1
	Land Fund - Abberley Street	0.1	0.5	0.0	0.0	0.0	0.5
	Land Fund - Cranford Way	0.1	0.1	0.1	-	-	0.2
	Land Fund - Caparo	0.8	0.4	0.5	0.0	-	1.7
	Land Fund - Icknield Port Loop Phase 2a and 2b	2.7	0.0	0.0	0.0	-	2.7
	Land Fund - Cookley Works	0.2	0.5	-	-	-	0.8
Land Fund - Other	0.0	0.1	0.1	0.1	0.1	0.3	
HOUSING AND REGENERATION PROGRAMME TOTAL		43.5	67.9	61.8	61.1	23.6	258.0
OTHER CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Other	5G	1.1	-	-	-	-	1.1
	Social Housing Decarbonisation	6.2	-	-	-	-	6.2
Net Zero	Sustainable Warmth Competition	2.6	-	-	-	-	2.6
	Net Zero Neighbourhood - Capital	0.2	1.1	0.4	-	-	1.7
OTHER TOTAL		10.1	1.1	0.4	-	-	11.5

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

*The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.***

The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

APPENDIX 6 – Investment Programme Grants to Local Authorities

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Grants to Local Authorities	Coventry City Centre South Regeneration - City Centre	7.1	52.7	7.1	17.4	-	84.3
	Coventry City Centre South Regeneration - Friargate	25.0	2.9	-	-	-	27.9
	Coventry UKC Plus - Coventry South Package	6.7	30.5	23.4	26.7	14.4	101.6
	Coventry UKC Plus - Coventry North Package	-0.0	4.0	11.3	6.2	-	21.4
	UK Central Infrastructure Package - Programme Total	7.1	42.8	51.9	45.9	32.2	179.8
	UK Central HS2 Interchange - Programme Total	10.5	8.7	61.4	52.6	42.5	175.8
	CoW Technical Centre	6.7	0.9	0.1	-	-	7.8
	Coventry Station Masterplan	2.7	-	-	-	-	2.7
	Coventry - Future schemes to be scoped	-	-	5.9	18.8	15.0	39.7
	Other Schemes	0.1	0.0	-	-	-	0.1
IP GRANTS TO LOCAL AUTHORITIES		65.8	142.5	161.2	167.5	104.0	640.9

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

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APPENDIX 7 – City Region Sustainable Transport Settlement

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
City Region Sustainable Transport Settlement Programme	GRANTS TO LOCAL AUTHORITIES						
	Highway Maintenance						
	Coventry City Council	4.1	4.1	4.1	4.1	4.1	20.4
	Dudley Council	4.5	4.5	4.5	4.5	4.5	22.4
	Sandwell Council	4.7	4.7	4.7	4.7	4.7	23.7
	Solihull Council	3.9	3.9	3.9	3.9	3.9	19.4
	Walsall Council	3.6	3.6	3.6	3.6	3.6	17.8
	Wolverhampton City Council	3.3	3.3	3.3	3.3	3.3	16.6
	Subtotal	24.1	24.1	24.1	24.1	24.1	120.4
	Local Network Improvement Plan						
	Birmingham City Council	6.3	6.3	6.3	6.3	6.3	31.3
	Coventry City Council	2.0	2.0	2.0	2.0	2.0	10.2
	Dudley Council	1.8	1.8	1.8	1.8	1.8	8.8
	Sandwell Council	1.8	1.8	1.8	1.8	1.8	9.0
	Solihull Council	1.2	1.2	1.2	1.2	1.2	5.9
	Walsall Council	1.6	1.6	1.6	1.6	1.6	7.8
	Wolverhampton City Council	1.4	1.4	1.4	1.4	1.4	7.2
	Subtotal	16.0	16.0	16.0	16.0	16.0	80.2
	Grants to Projects						
	CRSTS - IG - Smethwick - Birmingham Corridor Transport Package	0.3	0.8	4.0	8.0	6.0	19.0
	CRSTS - IG - East Birmingham to Solihull Corridor	0.1	1.4	6.0	9.5	8.0	25.0
	CRSTS - IG - Chester Road Segregated Cycleway and Capacity		0.2	0.8	2.0	3.8	6.8
	CRSTS - IG - Active Travel - A45 Segregated Cycleway		5.6	8.0	0.7	-	14.3
	CRSTS - IG - Wolverhampton CC Walk, Cycle and Bus Package		5.5	4.0	-	-	9.5
	CRSTS - IG - A454 Walk, Cycle and Bus Corridor	0.1	1.3	3.1	6.4	7.5	18.2
	CRSTS - IG - BCW Access: Darlaston and Willenhall Train Stations	0.2	0.1	2.7	-	-	3.0
	CRSTS - IG - WBHE: Sustainable Access Measures		4.5	5.0	6.5	-	16.0
	CRSTS - CoP - Very Light Rail Phase 2	7.2	20.9	22.3	5.6	15.6	71.5
	CRSTS - CoP - Sutton Coldfield Gateway	0.2	0.5	2.5	10.8	11.0	25.0
	CRSTS - CoP - Solihull Station Integrated Transport Hub		0.8	1.3	1.5	1.5	5.0
	CRSTS - CoP - UKC - Dorridge Bus Priority		0.5	1.0	1.5	2.0	5.0
	CRSTS - CoP - Snow Hill Growth Strategy		-	3.9	1.2	-	5.0
	CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling	0.1	0.5	13.4	0.5	-	14.5
	CRSTS - HSaS - City Centre Active Travel to Interchange	0.1	8.0	2.2	9.7	-	20.0
	CRSTS - HSaS - One Station and Smallbrook Queensway	0.1	0.5	2.0	6.4	1.0	10.0
	CRSTS - HSaS - Black Country Walking and Cycling Package		2.0	2.0	2.0	2.0	8.0
	CRSTS - HSaS - Dudley Interchange Sustainable Connectivity		-	1.0	3.0	3.5	7.5
	CRSTS - HSaS - Dickens Heath to Solihull Town Centre LCWIP		1.1	9.2	-	-	10.3
	CRSTS - HSaS - Knowle to Solihull Town Centre LCWIP		1.0	7.0	-	-	8.0
	CRSTS - HSaS - Stourbridge TC Sustainable Connect Package		-	0.8	1.6	0.6	3.0
	CRSTS - CRNaC - Multi-modal Access HS2		0.3	0.8	2.0	2.0	5.0
	CRSTS - CRNaC - Foleshill Transport Package	1.0	3.5	-	-	-	4.5
	CRSTS - CRNaC - A461 Walking, Cycling and Bus Corridor	0.1	1.6	23.3	-	-	25.0
	CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr	0.0	0.5	0.5	8.0	10.0	19.0
	CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor	0.2	1.8	7.0	10.0	10.1	29.0
	CRSTS - CRNaC - A449 Walk, Cycle and Bus Corridor		1.5	3.5	3.0	-	8.0
	CRSTS - CRNaC - BCW Access: Walsall Town Centre Interchange		-	0.3	0.4	0.4	1.0
	CRSTS - CRNaC - West Coast Mainline M42 bridge		0.5	0.8	1.8	2.0	5.0
	CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)	0.5	8.0	8.5	-	-	17.0
	CRSTS - DaGR - ULEV Black Country		3.5	3.5	-	-	7.0
	CRSTS - Data Scheme Development Support		1.7	1.7	1.7	1.7	7.0
	Subtotal	10.1	77.9	151.8	103.7	88.6	432.1
	PROJECTS DELIVERED BY TFWM						
	Projects introduced within CRSTS Programme						
	Rail Development		0.5	0.8	0.8	0.9	3.0
	Aldridge Station	0.2	1.3	3.0	5.5	20.0	30.0
	Dudley Port Integrated Transport Hub	0.2	1.1	1.1	-	-	2.4
	Demand Responsive Bus		2.5	3.0	4.5	-	10.0
	BSIP Retrofit Programme		3.0	-	-	-	3.0
	Park and Ride Tile Hill and Whitlocks End		3.0	1.0	0.5	-	4.5
	BSIP Bus Priority Cross City Routes	0.3	4.0	15.4	25.9	13.4	59.0
	Mobility Hubs and E Bikes		3.3	2.3	3.1	-	8.6
Swift cEMV contactless payment broker	2.2	6.5	5.0	4.1	0.3	18.0	
Ultra Rapid Charging Transit Stations		14.0	-	-	-	14.0	
ULEV		3.1	2.6	-0.7	-	5.0	
Metro Line 1 Renovation	2.3	22.2	5.5	-	-	30.0	
Metro Wednesbury Depot Upgrades	2.0	21.4	14.6	-	-	37.9	
Metro Traction Power Phase 2	0.2	6.4	5.9	-	-	12.6	
A45 Bham to Solihull - Phase 2	2.4	10.2	9.4	3.4	-	25.4	
A34 Walsall to Bham - Phase 2	3.6	11.4	10.7	4.9	-	30.6	
Hagley Road Rapid Transit	0.1	4.9	5.0	10.0	5.0	25.0	
Subtotal	13.5	118.8	85.3	62.0	39.6	319.1	
SUBTOTAL TRANSPORT CAPITAL PROGRAMME - CRSTS	63.8	236.7	277.2	205.8	168.3	951.7	
Reconciliation with £1.050bn CRSTS settlement						As in Table 7	
Other TFWM projects funded from CRSTS							
WMCA Local Network Improvement Plan	5.5	5.5	5.5	5.5	5.5	27.3	
Transforming Cities Fund 2	71.5					71.5	
Match funding							
Metro Wednesbury Depot Upgrades	-0.5					-0.5	
CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME	140.2	242.2	282.6	211.2	173.8	1,050.0	

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

*The report recommends **WMCA Board Approve the first year (2022/23) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.*

The final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position

APPENDIX 8 – MAYORAL Q&A



**West Midlands
Combined Authority**

Overview & Scrutiny Committee

Thursday 15 December 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Dan Essex	Governance Services Manager
Linda Horne	Executive Director of Finance and Business Hub
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive
Andy Street	Mayor of the West Midlands
Councillor Bob Sleigh	Portfolio Lead for Finance

Item No. Title

- 101. Welcome and Introductions**
The Chair welcomed the Mayor, Portfolio Lead for Finance and members of the committee to the second mayoral question time for 2022/23 that would be focussing on the proposed draft 2023/24 budget.
- 102. Apologies for Absence**
Apologies for absence were received from Councillor Akhtar (Coventry), Councillor Burrow (Solihull), Councillor Chalk (Worcestershire), Councillor Fenton (Sandwell), Councillor Lumby (Shropshire) and Councillor Sutherland (Staffordshire).
- 103. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee**
The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, the investment programme, the trailblazer devolution deal and transport.

With regards to a mayoral precept, whilst the reasons for choosing not to set a precept during the mayoral term was recognised, the committee considered that the collective decision made not to support the introduction of a precept had had an impact on the sustainability of the WMCA's budget. In terms of the trailblazer devolution deal, it was acknowledged that the decision not to set a precept could affect negotiations with Government, however this decision had been weighed against the economic pressures on individuals paying taxation.

The Mayor and Portfolio Lead for Finance answered questions in relation to the Government's financial support packages for bus and light rail, redistribution of taxes, capital investment for longer term transport strategies to improve connectivity, reliability and public transport times, financial challenges for existing and future supported transport policies, patronage levels, subsidised routes and criteria, value for money and the West Midlands Growth Company.

In terms of train services, in particular the Aldridge route, the Mayor explained that this route would be funded through the City Region Sustainable Transport Settlement and its business case had yet to be approved. In addition, the latest position with regards to the delivery of HS2 and the benefits of the introduction of the car park located in Solihull was also noted.

The committee questioned whether there were any constraints within the budget that might have an impact on the WMCA's net zero targets. Whilst the WMCA continued to make good progress in terms of the reduction in transport emissions, addressing the energy efficiency of homes was a challenge in terms of resource. In addition, members explored the potential for new builds to be carbon neutral and how the WMCA could influence this.

To enable scrutiny members to hold those responsible to account, members sought assurances that 'accountability' was embedded within the WMCA's Single Assurance Framework. There were a number of areas where accountability was built in, and members were assured that public dashboards were available that demonstrated the outputs achieved.

In terms of the work undertaken on the proposed investment zones, the Mayor explained how this work would be utilised for future 'levelling up zones' and would be of value for future projects for the region.

Recommended:

The following observations be shared with the Mayor and WMCA Board for consideration and response:

(1) Regional Role in Energy Efficiency

Members expressed their concerns on the cost of energy and the impact that this had on the economy. There was a need to seek the introduction of alternative solutions, for example energy turbines.

(2) Investment Portfolio

The committee questioned whether the WMCA was generating economic growth in specific areas, especially given the disparity of investment

(3) Greater Scrutiny - Arms' Length Companies and the Delivery of Outputs

The committee considered that there needed to be a greater focus on the outputs generated through investments and a greater scrutiny focus on arms' length companies and the outputs delivered for the region.

(4) Carbon Neutrality

The committee stressed the importance of the work being undertaken to achieve carbon neutrality on projects that the WMCA was supporting.

04. Date of Next Meeting

Thursday 12 January 2023 at 10.00am

The meeting ended at 12.00 pm.